

13 MAY 1994

For Six Month Period Ending _____
(Insert date)

Name of Registrant

Registration No. 1815

Prather Seeger Doolittle & Farmer

Business Address of Registrant

1600 M Street, N.W.
Washington, D.C. 20036

I-REGISTRANT

1. Has there been a change in the information previously furnished in connection with the following:

(a) If an individual:

(1) Residence address	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(2) Citizenship	Yes <input type="checkbox"/>	No <input type="checkbox"/>
(3) Occupation	Yes <input type="checkbox"/>	No <input type="checkbox"/>

(b) If an organization:

(1) Name	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(2) Ownership or control	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
(3) Branch offices	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

2. Explain fully all changes, if any, indicated in item 1.

No changes were indicated in Item 1.

IF THE REGISTRANT IS AN INDIVIDUAL, OMIT RESPONSE TO ITEMS 3, 4, and 5.

3. Have any persons ceased acting as partners, officers, directors or similar officials of the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name

Position

Date Connection
Ended

4. Have any persons become partners, officers, directors or similar officials during this 6 month reporting period?
 Yes ☐ No ☒

If yes, furnish the following information:

<i>Name</i>	<i>Residence Address</i>	<i>Citizenship</i>	<i>Position</i>	<i>Date Assumed</i>
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5. Has any person named in Item 4 rendered services directly in furtherance of the interests of any foreign principal?
 Yes ☐ No ☐

If yes, identify each such person and describe his services.

No persons were named in Item 4.

6. Have any employees or individuals other than officials, who have filed a short form registration statement, terminated their employment or connection with the registrant during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

<i>Name</i>	<i>Position or connection</i>	<i>Date terminated</i>
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<i>Name</i>	<i>Position or connection</i>	<i>Date terminated</i>
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7. During this 6 month reporting period, have any persons been hired as employees or in any other capacity by the registrant who

II—FOREIGN PRINCIPAL

(PAGE 3)

8. Has your connection with any foreign principal ended during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish the following information:

Name of foreign principal

Date of Termination

-
9. Have you acquired any new foreign principal¹ during this 6 month reporting period? Yes ☐ No ☒

If yes, furnish following information:

Name and address of foreign principal

Date acquired

-
10. In addition to those named in Items 8 and 9, if any, list the foreign principals¹ whom you continued to represent during the 6 month reporting period.

Rheinland-Pfalz (Germany)
The Royal Bank of Canada
Comité Textil de la Sociedad Nacional de Industrias

III—ACTIVITIES

11. During this 6 month reporting period, have you engaged in any activities for or rendered any services to any foreign principal named in Items 8, 9, and 10 of this statement? Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail your activities and services:

Rheinland-Pfalz - General legal representation and advisory services relative to issues and concerns affecting local economic development and restructuring.

The Royal Bank of Canada - General legal representation relative to issues and concerns in the area of U.S.-Canadian banking regulations.

Comité Textil de la Sociedad Nacional de Industrias - General legal representation and advisory services relative to issues and concerns in the area of U.S.-Peruvian relations generally and other matters arising under domestic and international law, including assessing economic trends, identifying support for development and expansion of markets for Peruvian textiles and apparel, and making comparative legal analyses with regard to U.S. policies regulating these Peruvian exports.

¹The term "foreign principal" includes, in addition to those defined in section 1(b) of the Act, an individual or organization any of whose activities are directly or indirectly supervised, directed, controlled, financed, or subsidized in whole or in major part by a foreign government, foreign political party, foreign organization or foreign individual. (See Rule 100(a)(9)).

A registrant who represents more than one foreign principal is required to list in the statements he files under the Act only those foreign principals for whom he is not entitled to claim exemption under Section 3 of the Act. (See Rule 208.)

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes ☒ No ☐

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

Rheinland-Pfalz: On behalf of principal, registrant has rendered advice to principal relative to local economic development and restructuring as a result of the U.S. planned drawdown of European military installations, has corresponded, met and spoken with U.S. officials of the General Accounting Office, the Department of State, the Department of the Treasury, and Congress with regard to such planned reduction of a U.S. military presence in Europe, and has assisted in arranging bilateral meetings between representatives of the U.S. and principal with regard to formulating a coherent, step-by-step strategy for the maintenance of certain major U.S. military facilities and designed to meet the best interests of both the U.S. and Rheinland-Pfalz, as follows:

(cont'd)

13. In addition to the above described activities, if any, have you engaged in activity on your own behalf which benefits any or all of your foreign principals? Yes ☐ No ☒

If yes, describe fully.

²The term "political activities" means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

IV—FINANCIAL INFORMATION

14. (a) RECEIPTS—MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise? Yes ☒ No ☐

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.³

<i>Date</i>	<i>From Whom</i>	<i>Purpose</i>	<i>Amount</i>
11/19/93	Royal Bank of Canada	Fees	\$ 1,500.00
11/19/93	Royal Bank of Canada	Disbursements	29.51
11/29/93	Comité Textil	Fees	1,903.12
11/29/93	Comité Textil	Disbursements	33.49
12/29/93	Comité Textil	Fees	2,275.00
12/29/93	Comité Textil	Disbursements	119.60
2/9/94	Comité Textil	Fees	375.00
2/9/94	Comité Textil	Disbursements	762.12
2/14/94	Royal Bank of Canada	Fees	1,237.50
2/14/94	Royal Bank of Canada	Disbursements	287.94
(cont'd)			Total

(b) RECEIPTS—THINGS OF VALUE

During this 6 month reporting period, have you received any thing of value⁴ other than money from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal? Yes ☐ No ☒

If yes, furnish the following information:

<i>Name of foreign principal</i>	<i>Date received</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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³A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).

⁴Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

15. (a) DISBURSEMENTS—MONIES

During this 6 month reporting period, have you

(1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement? Yes ☒ No ☐(2) transmitted monies to any such foreign principal? Yes ☐ No ☒

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

<i>Date</i>	<i>To Whom</i>	<i>Purpose</i>	<i>Amount</i>
<u>RHEINLAND-PFALZ*</u>			
Reporting Period:	Transportation	\$	660.64*
	Business meals		945.65*
	Duplication		75.40*
	Postage		5.63
	Telephone/telefax		2,902.30
	Messengers/couriers		277.37*
	Publications		27.74
	Consultant's fees		1,500.00
	Entertainment		77.49
	Secretarial service		660.00
	Hotels		<u>1,100.02</u>
		\$	8,232.24

*Monies expended were primarily in connection with non-registrable activities. Entries appearing without asterisks represent monies expended exclusively in connection with non-registrable activities. The entry representing expenditures for business means includes entertainment by registrant of those persons asterisked with reference to Rheinland-Pfalz in item #12 as follows: Dinner with Rep. Neil Abercrombie at BICE on 10/28/93; lunch with James Bindenagel at the Metropolitan Club on 11/8/93 and 12/13/93; dinner with Theodore G. Barreaux at the Metropolitan Club on 12/14/93; dinner hosted by Thomas L. Farmer at his residence on 2/9/94 for Sens. John H. Chafee and Nancy Landon Kassebaum.

COMITÉ TEXTIL*

Reporting Period:	Duplication	\$	1,693.30
	Telephone/telefax		549.13
	Messengers/couriers		700.50
	Publications		30.00
	Cab fare		10.00
	Postage		<u>21.20</u>
		\$	3,004.13

*Monies expended were exclusively in connection with non-registrable activities.

(cont'd)

 Total

15. (b) DISBURSEMENTS—THINGS OF VALUE

During this 6 month reporting period, have you disposed of anything of value⁵ other than money in furtherance of or in connection with activities on behalf of any foreign principal named in items 8, 9 and 10 of this statement?

Yes ☐ No ☒

If yes, furnish the following information:

<i>Date disposed</i>	<i>Name of person to whom given</i>	<i>On behalf of what foreign principal</i>	<i>Description of thing of value</i>	<i>Purpose</i>
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(c) DISBURSEMENTS—POLITICAL CONTRIBUTIONS

During this 6 month reporting period, have you from your own funds and on your own behalf either directly or through any other person, made any contributions of money or other things of value⁵ in connection with an election to any political office, or in connection with any primary election, convention, or caucus held to select candidates for political office?

Yes ☒ No ☐

If yes, furnish the following information:

<i>Date</i>	<i>Amount or thing of value</i>	<i>Name of political organization</i>	<i>Name of candidate</i>
2/11/94	\$500.00	Hoagland for Congress	Peter Hoagland

V—POLITICAL PROPAGANDA

(Section 1(j) of the Act defines "political propaganda" as including any oral, visual, graphic, written, pictorial, or other communication or expression by any person (1) which is reasonably adapted to, or which the person disseminating the same believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, or in any other way influence a recipient or any section of the public within the United States with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party or with reference to the foreign policies of the United States or promote in the United States racial, religious, or social dissensions, or (2) which advocates, advises, instigates, or promotes any racial, social, political, or religious disorder, civil riot, or other conflict involving the use of force or violence in any other American republic or the overthrow of any government or political subdivision of any other American republic by any means involving the use of force or violence.)

16. During this 6 month reporting period, did you prepare, disseminate or cause to be disseminated any political propaganda as defined above? Yes ☒ No ☐

IF YES, RESPOND TO THE REMAINING ITEMS IN THIS SECTION V.

17. Identify each such foreign principal.

The Royal Bank of Canada

⁵Things of value include but are not limited to gifts, interest free loans, expense free travel, favored stock purchases, exclusive rights, favored treatment over competitors, "kickbacks," and the like.

18. During this 6 month reporting period, has any foreign principal established a budget or allocated a specified sum of money to finance your activities in preparing or disseminating political propaganda? Yes ☐ No ☒

If yes, identify each such foreign principal, specify amount, and indicate for what period of time.

19. During this 6 month reporting period, did your activities in preparing, disseminating or causing the dissemination of political propaganda include the use of any of the following:

- ☐ Radio or TV broadcasts ☐ Magazine or newspaper articles ☐ Motion picture films ☒ Letters or telegrams
☐ Advertising campaigns ☐ Press releases ☐ Pamphlets or other publications ☐ Lectures or speeches
☐ Other (specify) _____

20. During this 6 month reporting period, did you disseminate or cause to be disseminated political propaganda among any of the following groups:

- ☒ Public Officials ☐ Newspapers ☐ Libraries
☒ Legislators ☐ Editors ☐ Educational institutions
☒ Government agencies ☐ Civic groups or associations ☐ Nationality groups
☐ Other (specify) _____

21. What language was used in this political propaganda:

- ☒ English ☐ Other (specify) _____

22. Did you file with the Registration Section, U.S. Department of Justice, two copies of each item of political propaganda material disseminated or caused to be disseminated during this 6 month reporting period? Yes ☒ No ☐

23. Did you label each item of such political propaganda material with the statement required by Section 4(b) of the Act? Yes ☒ No ☐

24. Did you file with the Registration Section, U.S. Department of Justice, a Dissemination Report for each item of such political propaganda material as required by Rule 401 under the Act? Yes ☒ No ☐

VI—EXHIBITS AND ATTACHMENTS

25. EXHIBITS A AND B

- (a) Have you filed for each of the newly acquired foreign principals in Item 9 the following:

Exhibit A⁶ Yes ☐ No ☐
 Exhibit B⁷ Yes ☐ No ☐

**No newly acquired foreign principals
were listed in Item 9.**

If no, please attach the required exhibit.

- (b) Have there been any changes in the Exhibits A and B previously filed for any foreign principal whom you represented during this six month period? Yes ☐ No ☒

If yes, have you filed an amendment to these exhibits? Yes ☐ No ☐

If no, please attach the required amendment.

⁶The Exhibit A, which is filed on Form CRM-157 (Formerly OBD-67) sets forth the information required to be disclosed concerning each foreign principal.

⁷The Exhibit B, which is filed on Form CRM-155 (Formerly OBD-65) sets forth the information concerning the agreement or understanding between the registrant and the foreign principal.

26. EXHIBIT C

If you have previously filed an Exhibit C⁸, state whether any changes therein have occurred during this 6 month reporting period. Yes ☐ No ☐

No Exhibit C has been filed previously.

If yes, have you filed an amendment to the Exhibit C? Yes ☐ No ☐

If no, please attach the required amendment.

27. SHORT FORM REGISTRATION STATEMENT

Have short form registration statements been filed by all of the persons named in Items 5 and / of the supplemental statement? Yes ☐ No ☐

If no, list names of persons who have not filed the required statement.

No person was named in Items 5 and/of the supplemental statement.

The undersigned swear(s) or affirm(s) that he has (they have) read the information set forth in this registration statement and the attached exhibits and that he is (they are) familiar with the contents thereof and that such contents are in their entirety true and accurate to the best of his (their) knowledge and belief, except that the undersigned make(s) no representation as to the truth or accuracy of the information contained in attached Short Form Registration Statement, if any, insofar as such information is not within his (their) personal knowledge.

(Type or print name under each signature)

(Both copies of this statement shall be signed and sworn to before a notary public or other person authorized to administer oaths by the agent, if the registrant is an individual, or by a majority of those partners, officers, directors or persons performing similar functions who are in the United States, if the registrant is an organization.)

Thomas L. Farmer

Thomas L. Farmer

Subscribed and sworn to before me at WASHINGTON, D.C.

this 21st day of June, 19 94

Jean Baker Edmondson
(Signature of notary or other officer)

My Commission Expires June 30, 1996

⁸The Exhibit C, for which no printed form is provided, consists of a true copy of the charter, articles of incorporation, association, constitution, and bylaws of a registrant that is an organization. (A waiver of the requirement to file an Exhibit C may be obtained for good cause upon written application to the Assistant Attorney General, Criminal Division, Internal Security Section, U.S. Department of Justice, Washington, D.C. 20530.)

UNITED STATES DEPARTMENT OF JUSTICE
REGISTRATION UNIT
CRIMINAL DIVISION
WASHINGTON, D.C. 20530

NOTICE

Please answer the following questions and return this sheet in triplicate with your supplemental statement:

1. Is your answer to Item 16 of Section V (Political Propaganda - page 7 of Form CRM-154, formerly Form OHR-64-- Supplemental Statement):


Yes X or No

(If your answer to question 1 is "yes" do not answer question 2 of this form.)

2. Do you disseminate any material in connection with your registration:

Yes or No

(If your answer to question 2 is "yes" please forward for our review copies of all such material including: films, film catalogs, posters, brochures, press releases, etc. which you have disseminated during the past six months.)


Signature

June 21, 1994
Date

Thomas L. Farmer

Please type or print name of
signatory on the line above

Partner

Title

94 JUN 22 10:10

RECEIVED
CRIMINAL DIVISION
JUN 22 1994

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes.

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

(cont'd) page one of a five-page insert

*Rep. Neil Abercrombie, U.S. House of Representatives, 1440 Longworth House Office Building, Washington, D.C. 20515; (202) 225-2726; 10/28/93.

William E. Barreda, Deputy Assistant Secretary for Trade and Investment Policy, Department of the Treasury, Room 3208, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220; (202) 622-0168; 4/6/94, 4/7/94.

*Theodore G. Barreaux, Counsellor to the Comptroller General, General Accounting Office, 441 G Street, N.W., Room 7059, Washington, D.C. 20548; (202) 275-1939; 12/14/93.

*James Bindenagel, Director, Office of Central European Affairs, Department of State, Room 4228, 2201 C Street, N.W., Washington, D.C. 20520; (202) 647-1484; 11/8/93, 12/8/93, 12/13/93, 1/5/94, 1/7/94, 1/9/94, 1/12/94, 2/1/94, 2/2/94, 2/3/94, 2/11/94, 2/14/94, 2/22/94, 3/1/94, 3/3/94, 3/10/94, 3/14/94, 3/16/94, 3/21/94, 3/23/94, 3/24/94, 3/29/94, 4/5/94, 4/6/94, 4/16/94, 5/13/94.

(cont'd)

²The term 'political activities' means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulation, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes.

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

(cont'd) page two of a five-page insert

*Senator John H. Chafee, United States Senate, SD-567Dirksen Senate Office Building, Washington, D.C. 20515; (202) 224-2921; 2/9/94, 3/30/94, 4/11/94, 4/17/94.

Donna Vinson-Davis, Executive Assistant, Appointments, Office of Senator John H. Chafee, SD-567, Dirksen Senate Office Building, Washington, D.C., 20515; (202) 224-2921; 3/24/94.

Ambassador Richard Holbrooke, Ambassador to the Federal Republic of Germany, U.S. Embassy, Deichmanns Aue., 5300 Bonn 2, Federal Republic of Germany; 49-228-3391; 11/21/93, 11/22/93, 11/25/93, 11/26/93, 11/28/93, 12/1/93, 12/5/93, 12/18/93, 12/19/93, 1/1/94, 1/11/94, 3/4/94, 3/10/94, 3/14/94, 3/15/94, 4/4/94, 4/9/94, 4/11/94, 4/20/94.

*Senator Nancy Landon Kassebaum, United States Senate, SR-302 Russell Senate Office Building, Washington, D.C. 20510; (202) 224-4774; 2/9/94

Rosemarie Pauley-Gika, Staff Assistant to the Ambassador, U.S. Embassy, Deichmanns Aue., 5300 Bonn 2, Federal Republic of Germany; 49-228-3391; 3/7/94.

(cont'd)

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12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes.

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

(cont'd) page three of a five-page insert

David Pozorski, Deputy Director, Office of Central European Affairs, Department of State, Room 4228, 2201 C Street, N.W., Washington, D.C. 20520; (202) 647-1484; 3/7/94, 3/22/94, 3/30/94, 3/31/94, 4/4/94, 4/7/94.

Charles Skinner, Head, Political-Military Section, U.S. Embassy, Deichmanns Aue., 5300 Bonn 2, Federal Republic of Germany; 49-228-3391; 12/8/93.

The Royal Bank of Canada: On behalf of The Royal Bank of Canada, the largest commercial bank in Canada, we contacted the Treasury Department by telephone and letter to urge their support of certain legislative changes in the Money Laundering Suppression Act of 1994, which is pending in a House/Senate Conference Committee. The proposed changes concern the definitions of a foreign bank draft in the legislation which The Royal Bank of Canada believes could unduly interfere with normal check flows between the United States and Canada. The Treasury did not agree to support any legislative changes, preferring instead to deal with the issues raised by The Royal Bank of Canada in its implementing regulations. The Royal Bank of Canada, in deference to Treasury's views, has agreed not to urge any further legislative changes. Public officials contacted in connection with this matter are as follows:

(cont'd)

²The term 'political activities' means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulation, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes.

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

(cont'd) page four of a five-page insert

James M. Ammerman, Director, Office of International Banking and Portfolio Investment, Department of the Treasury, Room 5323 MT, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220; (202) 622-0610; 4/4/94, 4/19/94.

Sydney J. Key, House Subcommittee on International Development, Finance, Trade and Monetary Policy, 2219 Rayburn House Office Building, Washington, D.C. 20515; (202) 226-7515; 4/4/94, 4/19/94.

Linda Noonan, Senior Counsel for Financial Enforcement, Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220; (202) 622-1934; 3/16/94, 4/4/94, 4/13/94, 4/19/94, 5/3/94.

Kathleen M. O'Day, Associate General Counsel, Legal Division, Board of Governors of the Federal Reserve System, Room B-1022, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551; (202) 452-3786; 4/4/94, 4/19/94.

Robert B. Serino, Deputy Chief Counsel, Office of the Comptroller of the Currency, 250 E Street, S.W., 8th Floor, Washington, D.C. 20219; (202) 874-5200; 4/4/94, 4/19/94.

(cont'd)

²The term 'political activities' means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulation, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

12. During this 6 month reporting period, have you on behalf of any foreign principal engaged in political activity² as defined below?

Yes.

If yes, identify each such foreign principal and describe in full detail all such political activity, indicating, among other things, the relations, interests and policies sought to be influenced and the means employed to achieve this purpose. If the registrant arranged, sponsored or delivered speeches, lectures or radio and TV broadcasts, give details as to dates, places of delivery, names of speakers and subject matter.

(cont'd) page five of a five-page insert

Richard A. Small, Special Counsel, Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, D.C. 20551; (202) 452-3000; 4/4/94, 4/19/94.

Ken Swab, General Counsel, House Subcommittee on Financial Institutions Supervision, Regulation and Insurance, 212 O'Neill House Office Building, Washington, D.C. 20515; (202) 226-3280; 4/4/94, 4/19/94.

Andrew Vermilye, Senior Legislative Assistant, Office of Senator Richard H. Bryan, SR-364, Russell Senate Office Building, Washington, D.C. 20510; (202) 224-6244; 4/4/94, 4/19/94.

²The term 'political activities' means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulation, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

14. (a) RECEIPTS -- MONIES

During this 6 month reporting period, have you received from any foreign principal named in Items 8, 9 and 10 of this statement, or from any other source, for or in the interests of any such foreign principal, any contributions, income or money either as compensation or otherwise?

Yes.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies.³

Date	From Whom	Purpose	Amount
(cont'd) page one of a one-page insert			
2/28/94	Royal Bank of Canada	Fees	1,250.00
2/28/94	Royal Bank of Canada	Disbursements	176.86
3/7/94	Royal Bank of Canada	Fees	750.00
3/7/94	Royal Bank of Canada	Disbursements	151.04
3/7/94	Royal Bank of Canada	Fees	5,000.00
3/24/94	Comité Textil	Fees	4,500.00
3/24/94	Comité Textil	Disbursements	340.06
4/4/94	Royal Bank of Canada	Fees	5,000.00
4/15/94	Royal Bank of Canada	Fees	350.00
4/15/94	Royal Bank of Canada	Disbursements	76.81
4/15/94	Royal Bank of Canada	Fees	700.00
4/15/94	Royal Bank of Canada	Disbursements	111.27
4/25/94	Rheinland-Pfalz	Fees	30,375.00
4/25/94	Rheinland-Pfalz	Disbursements	<u>6,652.92</u>
TOTAL			\$ 63,957.24*

*Monies received were primarily in connection with non-registrable activities.

³A registrant is required to file an Exhibit D if he collects or receives contributions, loans, money, or other things of value for a foreign principal, as part of a fund raising campaign. See Rule 201(e).

15. (a) DISBURSEMENTS -- MONIES

During this 6 month reporting period, have you

- (1) disbursed or expended monies in connection with activity on behalf of any foreign principal named in Items 8, 9 and 10 of this statement?

Yes.

- (2) transmitted monies to any such foreign principal?

No.

If yes, set forth below in the required detail and separately for each foreign principal an account of such monies, including monies transmitted, if any, to each foreign principal.

Date	To Whom	Purpose	Amount
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(cont'd) page one of a one-page insert

ROYAL BANK OF CANADA*

Reporting Period:	Publications	\$	110.00
	Business meals		15.00
	Duplication		182.40*
	Telephone/telefax		485.66*
	Messengers/couriers		307.80*
	Postage		<u>5.99</u>
	TOTAL	\$	1,106.85

*Monies expended were primarily in connection with non-registrable activities. Entries appearing without asterisks represent monies expended exclusively in connection with non-registrable activities.

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BY FAX

April 4, 1994

Linda Noonan, Esq.
Senior Counsel for Financial Enforcement
Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Re: Money Laundering Suppression Act

Dear Linda:

As we discussed recently, we represent the Royal Bank of Canada ("RBC"), which is concerned about the adverse effects that the Treasury's proposed amendment to the definition of "monetary instruments" in 31 U.S.C. §5312(a)(3), which amendment is in Section 5 of the Money-Laundering Suppression Act¹ (the "Act"), may have on its customers in Canada that use personal or business checking accounts to make payments to persons in the United States.

¹ H.R. 3235, The Money-Laundering Suppression Act of 1994, passed the House on Monday, March 21, 1994. See 140 Cong. Rec. H1558-1564 (daily ed., March 21, 1994). An almost identical version of H.R. 3235 passed the Senate on March 16, 1994 as an amendment to the Community Development Banking and Financial Institutions Act. See 140 Cong. Rec. S3059, S3090 (text) (daily ed., March 16, 1994)

Under proposed Section 5 of the Money Laundering Suppression Act of 1994 (H.R. 3235), as reported by the House Banking Committee, the definition of "monetary instruments" in 31 U.S.C. §5312(a)(3) would be amended by adding the following new paragraph:

(C) as the Secretary of the Treasury shall provide by regulation for purposes of section 5316, checks, drafts, notes, money orders, and other similar instruments which are drawn on or by a foreign financial institution and are not in bearer form.

The Committee's explanation of this provision (in the description of the Neal/McCollum amendment) is that the Money Laundering Regulations will require persons bringing negotiable instruments drawn on or by foreign banks in excess of \$10,000 (U.S. dollars or equivalent) into the United States to file a Currency or Monetary Instrument Report ("CMIR"). In testimony before the House Banking Subcommittee on Financial Institutions on October 20, 1993, Assistant Secretary Noble indicated that the expanded definition--

is a response to the problem of drug money laundering through foreign bank drafts. Drug money launderers smuggle bulk currency or transmit it through non-bank financial institutions to foreign banks. They then purchase bank drafts or checks from the foreign banks. These instruments are easily transportable back into the United States and negotiated. Treasury believes that subjecting these instruments to cross-border reporting will contribute to deterring and detecting their use as money-laundering vehicles.

We understand Treasury's purpose in seeking this amendment, which is targeted at obviously illegal money-laundering operations. Our concern is that the language chosen by Treasury is unnecessarily broad to accomplish its purpose and, in the process, may impose a severe burden on normal personal and business checking account transactions, which are not the source of Treasury's concern.

Many businesses and individuals in Canada use their personal or business checking accounts at Canadian banks to pay for imports or make other business or personal payments in the United States. Indeed, Canadian Banks normally offer their customers the option of having U.S. dollar checking accounts along with their Canadian accounts. If we understand the impact of the amendment to §5312

correctly, it would allow the Treasury Department, by regulation, to require that any time a person or business with a personal or business checking account at a Canadian bank mails, or otherwise transports, a check in excess of \$10,000 U.S. dollars (or foreign currency equivalent) to a person in the United States, such person will have to file a CMIR. If such person does not file such a CMIR report, the person who receives the check in the United States would be required to file such a report.

Obviously, this type of reporting requirement, if imposed, would constitute a substantial burden on the use of checking accounts in Canada. Just as the transfer of funds through normal banking procedures does not require a CMIR under current law, we do not believe that the use of established checking accounts for making personal or business payments in the United States should be subject to any CMIR requirements. Moreover, we think that requiring CMIRs on instruments *entering* the U.S. over the \$10,000 threshold will have little, if any, impact on criminals who have already failed to obey the law when smuggling the underlying cash *out* of the U.S.

Although we understand that Treasury believes it can eventually deal with this problem in its rule-making proceedings, we nonetheless think it important to establish in the statute and its legislative history, that the proposed amendment to §5312 is not meant to burden the normal use of checking accounts at Canadian banks.

Since our initial discussion, we have reviewed the House Banking Committee Report on H.R. 3235 and its explanation of the purpose and intended scope of Section 5's amendment to the definition of "monetary instruments". Particularly helpful is the Committee's expressed intent that "the Secretary avoid unnecessary burdens on routine financial transactions relating to foreign financial institutions."² As you know, the Committee also indicated its belief "that Treasury, in adopting regulations under this section, should consider whether a country is participating in the Financial Action Task Force, has implemented its recommendations for combating money laundering, and has appropriate currency recordkeeping or reporting requirements."³ These types of criteria, if adopted by Treasury, could serve as a basis for exempting countries, such as Canada, that appear to meet these general requirements.

² See H.R. Rep. No. 103-438, 103d Cong., 2d Sess. (1994) at 18.

³ See H.R. Rep. No. 103-438, supra, at 18.

However, as you can appreciate, this helpful history still does not deal with the fundamental legal problem posed by Section 5 of the Act; namely, that the language chosen by Treasury is unnecessarily broad to accomplish its specific law enforcement purpose of deterring or detecting the cross-border illegal smuggling of U.S. currency to purchase foreign bank drafts to be brought back into the United States for negotiation. Our concern is that the extremely broad scope of Section 5 could adversely affect the commercial acceptance in the U.S. of instruments drawn on foreign banks, and in the process (i) impose undue and unnecessary burdens on normal financial and commercial transactions, including with the U.S. Government, (ii) constitute a very real barrier to cross-border trade in financial services in violation of NAFTA and perhaps even GATT principles in this area, and (iii) violate long-established U.S. principles of national treatment toward foreign banks.

Considering first the issue of undue burdens on commercial transactions, we have tried to estimate the volume of cross-border Canadian checks that might be impacted by the potential CMIR requirements that could be imposed by Treasury under Section 5 of the Act. Using internal data from RBC, and conservative extrapolations of that data for the Canadian financial system as a whole, we estimate an annual clearing volume of cross-border U.S. dollar checks drawn on Canadian financial institutions of approximately 23 million items. The cross-border clearing volume of Canadian dollar checks drawn on Canadian financial institutions is also substantial, approximately 2.5 million items a year. It is thus not unreasonable to assume that Section 5 might apply to a universe of 25 million or more checks drawn on Canadian financial institutions.⁴ Assuming even a small percentage, i.e. ten percent, of these items exceed the \$10,000 threshold, that means about 2.5 million potential CMIRs from Canada alone. When one considers the global application of Section 5, the total number of CMIRs potentially required may well exceed more than ten million on an annual basis. Instituting such extremely burdensome new reporting requirements would not only be fundamentally inconsistent with the Act's guiding principle of eliminating unnecessary transaction reports, but also would make detection of truly suspicious transactions virtually impossible in this sea of paper. In this regard, there appears to be no rational basis for distinguishing between overseas offices of U.S. banks and non-U.S. offices of foreign banks. Both types can be equally abused by money-launderers. Inclusion of foreign offices of U.S. banks would also likely add millions more CMIRs annually.

⁴ Because this information is based on confidential, proprietary information of RBC, we are unable to set forth the precise basis of these estimates in this letter. Nonetheless, we would be willing to provide this information to your office on a strictly confidential basis.

Secondly, by imposing these significant new burdens only on foreign bank drafts, Section 5 discriminates against foreign banks in contravention of longstanding U.S. principles of national treatment, which are incorporated in the NAFTA and in Treaties of Friendship, Commerce and Navigation with many countries, and which will be binding on the United States under the proposed General Agreement on Trade in Services (the "GATS"). Unless Section 5 is carefully tailored to the specific law enforcement needs of Treasury, it seems almost certain that any requirements in this area will be challenged as a *prima facie* violation of national treatment.

Thirdly, the imposition of special reporting requirements on the receipt by U.S. persons of foreign bank drafts may well constitute a barrier to cross-border trade in financial services, in violation of specific provisions of the NAFTA and general U.S. policies favoring free trade in the cross-border provision of financial services. In this regard, we would anticipate that reporting requirements on foreign bank drafts would cause many U.S. businesses to refuse acceptance of foreign bank drafts as a means of payment to avoid possible liabilities under the Bank Secrecy Act. Foreign customers of U.S. exporters, for example, could thus view maintenance of an account at a U.S. bank as a practical requirement for doing business with any U.S. firm. This type of "local performance" requirement has always been strongly opposed by U.S. trade negotiators as inherently discriminatory.

Lastly, the U.S. Government could find itself with significant reporting obligations under Section 5's expansion of the definition of monetary instruments. For example, the IRS may have to report all foreign bank checks it receives from taxpayers in excess of \$10,000 and the Treasury, or its fiscal agent the Federal Reserve Banks, may have to report all foreign bank checks used to pay for purchases of Treasury securities.

While additional legislative history addressing these concerns would be helpful and while we do not doubt the good faith of Treasury's intentions in this area, recent experience with the Foreign Bank Supervision Enhancement Act of 1991 has convinced foreign banks that statutory language clearly overrides even the best intentions of the Congress or the implementing department or agency. Thus, we believe that the legislative language of Section 5 needs to be more precisely defined and limited so as not to cause the very real potential problems identified above.

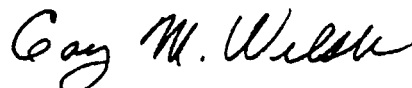
We would thus like to meet with you and your interested colleagues to discuss ways in which the scope of the language in Section 5 could be clarified and more precisely targeted in the expected Conference Committee on S. 1275, the Community Development Banking and Financial Institutions Act, in which the Act is likely to be finally considered.

In this regard, we would like to suggest some modifications to Section 5 which we believe will better ensure that Treasury's amendment accomplishes its law enforcement purposes without unduly burdening or discriminating against the use of foreign bank checks in U.S. commerce. Specifically, we believe that the expanded definition of monetary instruments should be focused on instruments on which a foreign financial institution is itself primarily liable, because it is the direct obligation of the foreign financial institution which makes the instrument so easy to negotiate in the United States. We thus recommend revising proposed §5312(a)(3)(C) in Section 5 of the Act to read as follows:

(C) as the Secretary of the Treasury ~~shall provide~~ may prescribe by regulation for purposes, under section 5316, of deterring or detecting the unlawful exporting or importing of cash or bearer monetary instruments described in paragraphs (A) and (B), cashier's checks, bank drafts, bank notes, money orders, and other similar instruments on which a financial institution is primarily liable, and which are drawn on or by issued, accepted or sold by a foreign financial institution a non-U.S. office of a financial institution and are not in bearer form. [existing language being deleted is eliminated by strike-out and proposed new language is underlined]

It seems to us that this revised definition would give the Treasury Department ample authority to require reports on the utilization of negotiable instruments issued and sold by foreign offices of banks for illegally smuggled cash or bearer instruments, which expanded authority will promote deterrence or detection of money-laundering activities without unduly burdening legitimate and normal checking account transactions in international commerce.

Sincerely,



Gary M. Welsh



D. Edward Wilson, Jr.

cc: Ken Swab
General Counsel
House Subcommittee on Financial Institutions Supervision, Regulation and
Insurance

Andrew Vermilye
Legislative Director
Office of Senator Richard H. Bryan

Lise Hafner
Canadian Bankers Association

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BY FAX

April 19, 1994

Linda Noonan, Esq.
Senior Counsel for Financial Enforcement
Department of the Treasury
1500 Pennsylvania Ave., N.W.
Washington, D.C. 20220

Re: Money Laundering Suppression Act

Dear Linda:

Thank you for getting back to us last week with your views on our April 4th proposal to clarify the language of section 5 of the Money Laundering Suppression Act of 1994 ("Suppression Act"). In response to Treasury's concerns with our prior clarifying language, we have redrafted our proposal to cover all situations where a foreign financial institution, which includes a foreign office of a U.S. bank, is a drawer, maker, or acceptor of a check or other negotiable instrument. This change thus clearly captures bank drafts, where a foreign bank draws on its account at a U.S. bank. We have also dropped the "purpose" language from the prior proposal, as we realize this may have caused some confusion.

While we can understand Treasury law enforcement's desire to have as broad a provision as possible, we believe that, in this instance, the present language of section 5 of the Suppression Act will almost certainly be counterproductive. A recent GAO Report¹ stated that 124,786 inbound CMIRs were filed in 1992. We estimate that by covering routine personal and business account checks, section 5 of the Suppression Act will generate at least 2.5 million CMIRs every year from Canada alone, a 2000 percent increase from present levels. To include such increased filing requirements on U.S. business² in a bill designed to reduce CTR reporting burdens on U.S. business is paradoxical to say the least. While regulatory exemptions could eventually be helpful, as you know, the Suppression Act is designed to overcome, at least in part, the failure of the present exemptions to reduce substantially CTRs on routine transactions.³ We continue to believe that a more precisely drawn statute will facilitate law enforcement and compliance objectives by eliminating unnecessary coverage and regulatory complexities.

In addition to reducing problems under the Bank Secrecy Act, a more precise definition could also avoid national treatment and service barrier issues under the NAFTA and the General Agreement on Services. Again, one of our prime concerns is that extremely burdensome reporting requirements imposed on U.S. businesses receiving hundreds or thousands of checks drawn on non-U.S. accounts every year, could cause such businesses to instruct their customers abroad to pay only from accounts in the U.S. This could prove a substantial trade barrier to the acceptance of foreign bank checks in U.S. commerce.

¹ See "Money Laundering: U.S. Efforts To Fight It Are Threatened By Currency Smuggling", GAO/GGD-94-73 (March 1994). Although the Report contains no specific GAO recommendations, its clear thrust is to suggest that improved border procedures are needed to prevent the outward smuggling of cash in violation of existing CMIR requirements.

² Since virtually all checks are transported by mail, it seems clear the reporting burden will fall on U.S. individuals and businesses which receive such checks.

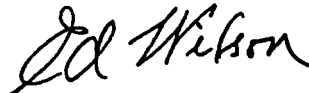
³ See H.R. Rep. No. 103-438, 103d Cong., 2d Sess. (1994) at 14 ("Treasury currently has exemption procedures in place which are designed to reduce routine filings, but even Treasury's Assistant Secretary for Enforcement has characterized the procedures as 'cumbersome and difficult to understand'.")

We would, of course, appreciate a reply at your earliest convenience.

Sincerely,



Gary M. Welsh



D. Edward Wilson, Jr.

cc: Ken Swab
General Counsel
House Subcommittee on Financial Institutions Supervision, Regulation
and Insurance

Andrew Vermilye
Legislative Director
Office of Senator Richard H. Bryan

Lise Hafner
Washington Representative
Canadian Bankers Association

Lawrence R. Uhlick
Executive Director & General Counsel
Institute of International Bankers

Proposed Revision to Section 5
of the Money-laundering Suppression Act

Proposed §5312(a)(3)(C) of the Bank Secrecy Act in section 5 of the Money-Laundering Suppression Act is revised to read as follows:

(C) as the Secretary of the Treasury shall provide by regulation for purposes of section 5316, checks, drafts, notes, money orders, and other similar instruments ~~which are drawn on or by a foreign financial institution and are, not in bearer form, on which the maker, drawer or acceptor is a non-U.S. office of a financial institution.~~
[Strike-out indicates existing language being eliminated; language being added is underlined.]

Purpose: Treasury law enforcement is concerned about situations where a person, who has illegally exported cash across the border, uses that cash to purchase a foreign bank cashier's check, an official check drawn on a foreign bank, a certified check drawn on a foreign bank or a foreign bank draft (a check drawn by a foreign bank on its account at another bank in the United States). This language encompasses all such situations and others where a foreign bank, or a foreign branch of a U.S. bank, acts as a drawer, maker or acceptor of a negotiable instrument and is thus liable on the instrument. It would by its terms not include checks that are drawn by nonbank businesses or persons on personal or business accounts at foreign offices of banks.